1:Indiana U. S-4, 5(1954-5)1955 RG4 Estonia RG4

Annex "A," Subparagraph 3e,

Economic Background

DOMESTIC TRADE

471 441 Private trade was ended at the beginning of the Soviet Occupation according to the same pattern as industry. The larger firms were nationalized and on the smaller ones were levied such heavy taxes that after some months their doors were closed. Moreover, these small private firms could not receive any new supplies from the nationalized wholesale stores.

474 441 The population of an urban area is supplied by State trading establishments (torgs or markets) while the co-operatives take care of the rural population. The change in the co-operative movement was almost as great as in the trade unions. Soviet authorities took over the co-operatives, replaced the leading

474 officials with their own men and put the co-op-
441 eratives under the dual control of the People's Commissariat for Trade and "Tsentrosoiuz," the Moscow co-operative headquarters. As a result, with orders coming from both quarters, there was much confusion. The co-operative movement was very popular in independent Estonia; there were 208 societies with 600 shops, handling over one-fourth of the retail and about one-half of the export trade, with a monopoly of butter, eggs and bacon. Under the Communist rule workshops and restaurants were all incorporated in the co-operatives. Prior to kolkhozation the trading operations of the farmers were also controlled by Communist co-operatives.

[511] Due to the shortage of consumer goods the co-operatives are not able to supply the people with the articles they are entitled to buy.